

# Strategies for Supporting Frontline Collaboration: Lessons from Stewardship Contracting



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IBM Center for  
The Business of Government



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## FOREWORD

On behalf of the IBM Center for The Business of Government, we are pleased to present this report, *Strategies for Supporting Frontline Collaboration: Lessons from Stewardship Contracting*, by Dr. Cassandra Moseley, Director, Institute for a Sustainable Environment, University of Oregon.

The Obama administration's Open Government initiative places a strong emphasis on increasing collaboration. But how do agencies do this, especially on the front lines of government? Dr. Moseley examines, via a series of case studies, the efforts to increase frontline collaboration by two natural resource agencies: the U.S. Department of Agriculture's Forest Service and the U.S. Department of the Interior's Bureau of Land Management.

She finds that the success or failure of frontline collaboration, especially with community-level stakeholders, is oftentimes driven by an "agency's culture, policies, procedures, and incentives...." The role of headquarters in successfully achieving collaboration seems to be most effective when it promotes and encourages collaboration rather than directing or requiring it.

By examining the experiences of both agencies in implementing a special contracting authority, called stewardship contracting, she identifies four strategies that appear to foster successful collaboration. These strategies include:

- Creating time and space for collaboration
- Changing agency rules to encourage collaboration
- Providing staff incentives to collaborate
- Building the capacity to collaborate in both the agencies and among stakeholders

The encouraging conclusion of her report is that, while agencies' behaviors are often driven by their hierarchical structure, collaboration can flourish when an agency's leadership commits significant energy and resources to focusing the organization on the value of collaboration to the mission.

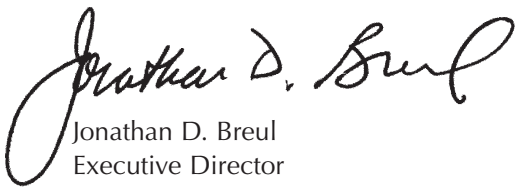


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We hope that this new report will serve as a useful guide for federal managers attempting to implement Open Government collaborative efforts in the field. The report's insights and recommended strategies have wide applicability to many agencies across government.



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## EXECUTIVE SUMMARY

The Obama administration's Open Government initiative places a strong emphasis on increasing collaboration—among agencies as well as with citizens and other stakeholders—to achieve more effective program and mission results. Agencies have developed their required Open Government Plans, but many of these plans lack details on how to successfully conduct collaborative efforts, especially on the front lines of government.

It is now useful to ask: are there examples in which collaboration is already being used as a part of how frontline workers do their jobs today? The answer: yes. Senior executives in two key federal land management agencies began to ask their frontline staff to collaborate locally, beginning in the early 1990s, as they saw the potential of engaging diverse groups of stakeholders to:

- Collaboratively resolve conflict
- Solve complex problems
- Bring new technical and financial resources to the problems of land management

Despite nearly two decades of promoting collaboration, its use in those agencies remains uneven today. Some frontline field offices within the federal government's natural resources agencies have integrated collaboration into their culture and everyday operations while, in other places, collaboration is fleeting or nonexistent. What are the lessons that these pioneering efforts might share with other agencies?

There can be a lot of location-specific reasons for why collaboration is not being used. For example, when the trust in an agency is high and citizens are relatively satisfied with current levels of engagement, an agency may have a difficult time engaging

collaborators. In some cases, frontline staff sometimes may not want to collaborate and thus put no serious effort into developing it. In other instances, the local sociopolitical environment can be so toxic that efforts to collaborate quickly degenerate, as people do not act in good faith or sabotage collective action.

An agency's culture, policies, procedures, and incentives can make it either easier or more difficult for field staff to collaborate effectively. There are strategies that agency and nongovernmental leaders can use to encourage collaboration. This report offers four strategies for collaboration based on the experiences of the U.S. Department of Agriculture's U.S. Forest Service and the U.S. Department of the Interior's Bureau of Land Management (BLM). Both agencies have authorities, called "stewardship contracting," which they used to foster collaboration at the front line in their agencies. Although stewardship contracting is a set of authorities particular to the U.S. Forest Service and BLM, much of the collaboration that these two agencies have undertaken around stewardship contracting did not require any special authority. The two agencies have used stewardship contracting as a vehicle to develop a new direction and support for collaborative approaches to federal land management.

### Key Strategies

Building on lessons from federal forest management and the use of stewardship contracting, this report offers four key strategies for fostering frontline collaboration with citizens and other stakeholders in a community.

**Strategy One: Create time and space for collaboration to develop and mature.** Robust collaboration



requires significant investment in time, money, and social capital. Collaboration is an evolutionary process. Initial steps may involve months or even years of talking, and only result in small concrete accomplishments at the beginning. Over time, as collaboratives build trust and facility in working together, accomplishments grow. However, efforts to rush collaboration early on can risk failure.

**Strategy Two: Change the rules to encourage collaboration.** This can be done in several ways:

- **Prioritize funding for actions that have been collaboratively developed.** When field managers reach broad agreement for action with partners, agency executives should fund it, if at all possible. Building agreement only to have agency leadership unwilling to implement it demoralizes staff and partners, and lowers trust.
- **Expand local discretion so that field staff have the authority to stand by the agreements they reach.** It can be difficult for senior executives to feel comfortable devolving authorities because they may be doing so at a moment of change and uncertainty. In addition, field staff collaborating with external partners may develop solutions that are locally appropriate but different from what the senior executives might have envisioned. Nevertheless, local decision space is critical if field personnel and, especially, partners, are going to be willing to invest time and resources in collaboration.
- **Update existing procedures to support collaborative processes.** These procedures might include requiring early engagement in planning processes, revising grants and agreements systems and paperwork to create more efficiencies in developing memoranda of understanding and obligating funds for agreements. It also may include clarifying directives about conflicts of interest. Engaging with field-level stakeholders in modifying authorities can help to ensure that procedures work for partners, not just for the agencies. Iterative learning and procedural changes can take advantage of and support innovations from the front line.
- **Provide formal guidance that requires that the field units collaborate but which does not prescribe exactly how collaboration is to occur.** Requiring collaboration can be challenging, because one cannot define exactly what the collaboration will look like. On the other hand, providing no guidance creates a sense of insecurity and allows people who do not want to collaborate to avoid doing so. One approach is to provide something specific around which to collaborate—such as stewardship contracting—rather than simply telling them to collaborate in general or prescribing exactly how to collaborate.
- **Align organizational and personal performance measures so that they support collaboration, or at least do not run counter to collaboration.** Performance measures that emphasize high production but neglect quality will likely create disincentives to collaborate.

**Strategy Four: Invest in building the capacity of both governmental and nongovernmental partners involved in a collaborative effort.** Understand where in the organizations these investments need to be made. Such investments can take several forms:

- **Create a cadre of well-trained procurement and agreements personnel who can support programmatic goals with timely, high-quality, innovative contracts and agreements.** Agencies often are called upon to engage in more complex formal arrangements—contracts and agreements—with their partners. Slow, cumbersome contracting and agreements processes can frustrate and drive away partners; poor processes cost the agency and its partners time and money.
- **Attend to the organizational and financial health of your partner organizations by providing funding for community capacity building.** This is particularly important when there is a significant interdependence between the partners and the agency and the agency is working with historically underserved or disenfranchised populations. Community organizations and collaborations may require government funding to convene and facilitate collaborative groups, and to build organizational capacity to participate effectively—especially in places where there are few nonfederal resources, such as in rural, historically

**Strategy Three: Provide incentives to staff to collaborate—or consequences if they don't.** This can be done in two ways:

underserved, and impoverished communities. In addition, businesses will be unwilling to invest in new skills and innovations when they do not trust that the agency will provide a sustainable supply of opportunities.

- **Develop and conduct training that engages agency personnel and nongovernmental partners in the same training sessions.** Joint training can help create a shared understanding of the opportunities and limits of particular opportunities and authorities. Peer-to-peer learning also can help to transfer lessons from early adaptors to other agency staff.

# Introduction

The Obama administration's Open Government initiative places a strong emphasis on increasing collaboration—among agencies as well as with citizens and other stakeholders—to achieve more effective program and mission results. Agencies have developed their required Open Government Plans, but many of these plans lack details on how to successfully conduct collaborative efforts, especially on the front lines of government.

It is useful to ask: are there examples in which collaboration is already being used as a part of how frontline workers do their jobs today? The answer: yes. Senior executives in two key federal land management agencies began to ask their frontline staff to collaborate locally, beginning in the early 1990s, as they saw the potential of engaging diverse groups of stakeholders to collaboratively resolve conflict, solve complex problems, and bring new technical and financial resources to the problems of land management. Today, there are hundreds of natural resource collaboratives, ranging from a few thousand acres of forestlands or a watershed (e.g., the Four Corners Fuels Partnership in the Southwest and the Lake County Stewardship Group in Oregon), to ecosystems comprising millions of acres and multiple jurisdictions (e.g., the Chesapeake Bay and Florida Everglades). These sorts of collaboratives offer federal agencies the promise of increasing their ability to solve complex problems, build agreement among divergent interests, and garner new financial and technical resources.

Yet, despite considerable growth in collaboration among government and nongovernmental partners to achieve mission results, the use of collaboration in many agencies is uneven. Some field units engage in sophisticated collaboratives while others



*Siuslaw Stewardship Group examining a restoration site.*

seem to resist engagement. After providing direction, senior managers sometimes find themselves puzzled when progress is uneven or when they receive complaints from constituents about a lack of collaboration. Although there can be a lot of location-specific reasons for collaboration to be weak, frequently the agencies' cultures, policies, procedures, and incentives can make it difficult for field staff to collaborate effectively. When collaboration runs counter to an agency's organizational arrangements and culture, only those places where agency and nongovernmental leadership commit significant energy and resources does collaboration really flourish.

The movement toward collaboration and networked governance—toward a more integrated system of governance between government agencies, citizens, and nongovernmental entities—is not an easy transition. One of the central challenges is that, although governance in the United States is increasingly accomplished through a complex set of networks, partnerships, and collaborations, organizational

## Understanding Collaboration

**Collaboration** is a process of working together to a common end. Collaboration involves consultation, negotiation, and deliberation; it often involves shared power and decision-making and a search for better information.<sup>1</sup> Collaboration can help solve complex problems, resolve conflict, and garner the resources and organization necessary for collective action. Collaboration often occurs through networks—and often is termed networked governance. In these cases, collaboration involves not only the people involved in collaboration directly, but an array of people linked to the collaborators through the networks of the collaborators. These networks cross organizational boundaries and engage people at different levels in multiple hierarchies. Both collaboration and networked governance differ from the traditional command-and-control approach in that they are fluid and flexible, and often held together through interactions and social relation rather than by organizational chart and regulations. They require regular maintenance and use to hold them together. As collaboration and networked governance become more sophisticated, the boundaries between public, private, citizen, and nonprofit blur as people and organizations take on interconnected rather than distinct roles—governance looks like a “marble cake” rather than a “layer cake.”<sup>2</sup>

**Natural resource collaboratives** being discussed in this report are collaborations among federal agency frontline staff (often called field staff) from federal natural resource and land management organizations and a diversity of local and regional stakeholders (including local citizens, environmental activists, industry representatives, and other relevant people and organizations). These collaborative groups are often focused on finding common ground that allows them to develop and implement land management activities that both restore natural resources and create local economic opportunity. Over time, these collaborative groups often come to create community-based organizations that can help implement the agreements reached. In these cases, the community-based organization typically enters into cooperative agreements or contracts with the natural resource agency to perform a variety of activities ranging from collaborative group facilitation to project planning to on-the-ground-implementation and monitoring.

**Stewardship contracting** fosters collaborative approaches to land management by providing contracting tools that increase the ability of the U.S. Forest Service and BLM to enter partnerships with public and private entities to implement forest and watershed restoration projects and create local community benefit.

Formally, stewardship contracting is a set of statutory contracting authorities that are designed to facilitate the U.S. Forest Service and BLM's ability to restore public lands and create economic benefit for nearby communities. The authorities allow for contracts and agreements that combine features of the Federal Acquisition Regulations with these agencies' timber sale authorities. Stewardship contracting focuses on end results and requires best-value contracting. It also allows revenue from the sale of timber harvested for restoration purposes to be applied to other restoration activities. These contracting authorities differ from older service and timber sale contracting authorities in that they provide broad agreement authority along with other authorities that allow for cooperative rather than adversarial contracting arrangements.

Although this report focuses on stewardship contracting, the central lessons of this report for other agencies are not related to the specifics of these authorities, but instead are strategies for developing and integrating collaboration in the everyday activities of frontline staff.

hierarchies continue to play central and vital roles in government organizations. Creating a collaborative effort on the front line of a bureaucratic hierarchy can be particularly difficult. The demands of vertical hierarchies in an organization and horizontal collaboration with third parties are often quite different from one another. Hierarchies have clear lines of authority and reporting, whereas collaborative networks are each unique and can be quite fluid. Hierarchies are often well institutionalized,

having been in place for decades, or even a century, in many agencies. This long history can mean that the culture and habits of an agency's hierarchy are often deeply ingrained.

By contrast, collaborative networks have a diversity of people and organizations in them. In the western states, they can include environmental groups, ranchers, farmers, recreation users, and citizens who live nearby. With the diversity of people and organizations comes

a wide variety of goals, obligations, skills, and resources. They often cross the boundaries between governmental and nongovernmental organizations, bringing in contact with one another systems with different goals, incentives, and obligations. Often nongovernmental entities organize and lead the collaborative groups. This is particularly true because the Federal Advisory Committee Act (FACA) requires that federal agencies receive a formal charter if they are to lead a collaborative process. Without having an FACA-chartered group, a federal agency cannot put a collaborative in place or set the agenda.

Sometimes, these sorts of networks include contractual arrangements (e.g., service contracts and cooperative agreements) and memoranda of understanding to help bind them together, but this is not always the case. These more formalized arrangements may only cover a piece of the relationship in any given collaborative network and may only emerge after long periods of conversations, meetings, and field tours. Most collaboratives rely on trust and mutual obligation rather than authority to hold them together.

Decision-makers at the front line of an agency's decision-making hierarchy may find themselves torn between their obligations to their hierarchy and the obligations they develop as part of their local collaboration. They may have limited control over the things about which the agency's partners may care the most. Collaboration between federal agencies and third parties typically does not formally shift the federal decision-making authority of line officers, but partners in a collaborative nonetheless expect their efforts and opinions to be taken seriously. Yet, beyond the "decision space" of line officers there is a vast array of government obligations—some of it with room for discretion and some without. These obligations and the ways in which senior executives and local field staff interpret them greatly affect the power and efficacy of collaborative groups.

Frontline collaboration between federal agencies and third parties at the field level—that which is rich and robust—requires that the collaborative have considerable decision space in which to devise solutions to meet the goals and objectives of diverse partners. Field-level staff who have little room for choice—either because line officers have no decision space or because of strong systems of incentives—can find

collaboration frustrating and of limited value. Field staff may be told to collaborate, but know that "what really matters" is something quite different. Along with direction to collaborate, they may receive funding, accountability measures, and personnel evaluations that make it difficult to collaborate. For example, in the case of the U.S. Forest Service, frontline staff have been encouraged to collaborate in order to reduce fire hazard. At the same time they have been told that achieving their fire hazard-related performance targets (acres treated) is of the utmost importance, and that there are budgetary consequences of failing to achieve the targets.

In some instances, federal agencies, their community partners, and citizens may find themselves having spent months reaching common ground, only to have the rules changed, priorities shifted, funding removed, or staff reassigned. Federal agencies then may have to back out of the commitments that they have made. This can create frustration and ill will with partners, and can cost the group significant time and social capital, which can take years to rebuild.

When the institutional obligations and cultural norms do not support frontline collaboration, it can be difficult for all but the most determined agency staff. In instances in which preexisting cultural and structural constraints run counter to local-level collaboration, how can senior executives make it easier for their willing staff to collaborate, and create incentives for those who are reluctant to collaborate? This report offers senior executives four strategies to support field-level collaboration. It does so by drawing on lessons from the experience of the U.S. Forest Service and the Bureau of Land Management (BLM) with collaboration in general, and stewardship contracting specifically.

Agency senior executives can do much to build an environment that is supportive of collaboration by providing the structures, tools, resources, and incentives to collaborate. Senior executives who want to see collaborations succeed must provide decision space, direction, training, and financial support. They also need to align their agency's hierarchy to support the collaborative process.

Developing an atmosphere in which collaboration can help an agency fulfill its mission is not an easy

or an instantaneous process. Change likely will be iterative, with direction and assistance continually updated by adapting to field learning and innovation. Senior executives who can create processes that attune them to lessons from frontline staff and key constituents may find it easier to develop effective guidance and procedures. In the best case, senior staff will be able to learn from the most innovative collaborative partnerships and also identify the problematic policies and procedures that may discourage collaboration.



# Evolution of Collaboration in Federal Land Management

Federal land management, like many issues facing the federal government, is complex and controversial. It is closely followed by a diversity of people with deeply held beliefs and economic interests. Federal land management legal authorities and obligations come from both Congress and the courts; they are sometimes contradictory and often confusing. The missions of federal land management agencies—such as the U.S. Forest Service, the Bureau of Land Management (BLM), and the U.S. National Park Service—have shifted and become more multifaceted over time. A wide range of stakeholders expects federal lands to meet competing priorities:

- Provide renewable and nonrenewable natural resources (timber, oil, gas)
- Offer recreation and scenic beauty
- Protect beautiful, historic, and ecologically important places
- Respond to a variety of environmental mandates (clean air, water, carbon, biodiversity)

Increasingly, federal land management agencies are being asked to play a role in climate change adaptation and mitigation. Often, these various activities are to occur on the same patch of ground. How much should each federal land management agency provide to each of these priorities? How they do so is a constant point of contention at every level of government, from Congress, the White House, and the Supreme Court to state and local government, to a single unit of a national forest.

Like many federal agencies, the U.S. Forest Service was created at the turn of the 20th century with a Progressive Era perspective on effective government. The U.S. Forest Service was designed as a decentral-

ized hierarchy of professional experts who would work for the public good. The BLM evolved from the General Land Office, and took on the expert-driven characteristics of the U.S. Forest Service.

After World War II, with notions of scientific forestry and a political arrangement that tied these agencies' budgets to the levels of timber harvested, the U.S. Forest Service and BLM expanded their timber harvest using industrial timber management techniques, including clear cuts and aerial application of herbicides. They sold timber to sawmills and loggers, and purchased tree planting and other services that help the agency achieve its mission of efficient forest management. But, due to their expert-driven hierarchies, neither of these agencies collaborated very much with stakeholders in the development of land management projects.

With the rise of environmentalism in the late 1960s, activists began to question the use of herbicides and clear cutting on public lands, and began to sue the U.S. Forest Service and BLM to change their behavior. Environmentalists were able to sue the federal land management agencies under the National Environmental Policy Act (NEPA) and the Endangered Species Act (ESA). NEPA, passed in 1970, requires all federal agencies to evaluate and disclose the environmental impacts of proposed actions and consider alternatives prior to making a final decision. The law allows individuals to appeal decisions on the basis of failure to disclose impacts and to file suits if their appeals are not satisfied.

The ESA created a process requiring the U.S. Fish and Wildlife Service and the National Marine Fisheries Service to place species that they consider at risk of extinction on a "list." Once a species is

## History of the Bureau of Land Management and the U.S. Forest Service

### Bureau of Land Management

The origins of the Bureau of Land Management (BLM) and the U.S. Forest Service date back to the 18th century, when the 13 states of the United States ceded western territories to the federal government. In 1812, Congress created the General Land Office in the Department of the Treasury (moved to the Department of the Interior in 1849) to oversee the exploration, surveying, and settlement of these lands as well as those acquired from colonial empires including Spain, France, and Russia.

Throughout the 19th century, Congress passed a number of laws such as the Homesteading Acts, the Mining Law of 1872, and other laws to encourage settlement. The General Land Office was responsible for distributing lands under these laws.

In 1946, Congress created the BLM in the Department of the Interior by combining the U.S. Grazing Service and the General Land Office. The BLM had no organic act, but rather a couple thousand separate and sometimes conflicting laws governing these BLM lands.<sup>3</sup> In 1976, Congress passed the Federal Land Policy and Management Act (FLPMA). FLPMA provided the BLM with its first unified legal mandate, including an obligation to manage for “multiple uses” including grazing, mining, and timber harvest as well as wildlife and endangered species protection, recreation, and other activities.

Today, the BLM manages 253 million acres and 700 million subsurface mineral estates, primarily in 13 western states and Alaska. The BLM has about 10,000 employees and an annual appropriated budget of about \$1 billion. In FY 2008, BLM collected \$4.6 billion in revenue from various leases, primarily for minerals (oil and gas), timber, grazing, and recreation.<sup>4</sup> About half of this money is given to the states and counties in which the revenue is generated. In the West, the BLM is divided into state offices. In states with significant BLM lands, state offices are further divided into districts, and within districts, field offices. The BLM director is a political appointee.

### The U.S. Forest Service

Congress created a Division of Forestry in the Department of Agriculture in 1881 to provide forestry information and, a few years later, scientific experimentation. At the same time, timber fraud, land grabs, and a growing sense that western land was no longer infinite led progressives to seek forest reserves. In 1891, Congress authorized the president to designate forest reserves—timberlands that would be withdrawn from the public domain. By 1898, the General Land Office had the authority to manage these lands. Presidents Harrison, Cleveland, and Roosevelt withdrew millions of acres for forest reserves, primarily in the West. (During the Great Depression, Congress authorized the U.S. Forest Service to acquire “cut over” and abandoned private lands later, which led to the eventual

creation of national forests in the South and Northeast.) Concerns over graft and corruption combined with a desire to elevate scientific management; progressives such as President Teddy Roosevelt and Gifford Pinchot succeeded in getting the forest reserves transferred to the Department of Agriculture. They were combined with the Division of Forestry to become the U.S. Forest Service in 1905. The U.S. Forest Service’s organic act allowed for the management for water and a continuous timber supply; it prohibited clear cutting.

In 1976, in the wake of lawsuits and significant political controversy over clear cutting to timber harvest, Congress replaced the U.S. Forest Service’s organic act with the National Forest Management Act (NFMA). The NFMA authorized clear cutting but also required management for multiple uses including recreation and wildlife habitat, extensive planning requirements, and significant species protection. The NFMA did little to cool the ongoing conflict. Controversy peaked in the late 1980s, with a court injunction that halted all timber harvest on U.S. Forest Service and BLM lands in the territory of the Northern Spotted Owl. The Northwest Forest Plan ended timber management as the primary purpose on national forest lands in the Pacific Northwest and changed management nationwide. By the late 1990s, timber management had become only one of many purposes of the national forest system, with species protection and ecological restoration playing a larger role.

Today, the U.S. Forest Service includes not only the National Forest System (which manages the national forests and grasslands) but also Research and Development, State and Private Forestry, and International Programs. The National Forest System is divided into nine regions (regions 1-10, with no region 7). Within the regions, there are 165 national forests and grasslands on 193 million acres. The national forests and grasslands typically have ranger districts. A national forest is equivalent to a BLM field office. A U.S. Forest Service ranger district is the equivalent of a BLM resource area.

The U.S. Forest Service chief is a career civil servant, with the Deputy Under Secretary of Agriculture, Natural Resources and Environment, as the political appointee directly over the chief.

In 2007, the U.S. Forest Service had 32,000 employees, down from a high of about 58,000 in the early 1980s. In the 1970s and 1980s, the U.S. Forest Service sold about 10-12 billion board feet of timber per year. In the 2000s, that number declined to 2 billion board feet per year.

For FY 2010, its appropriated budget was just over \$5 billion, with another \$1 billion in mandatory appropriations. Over 47 percent of its budget was for wildfire management (primarily fire suppression), a dramatic increase from the 1990s.



## Evolution of Local Natural Resource Collaboratives

In 1935, during the depths of the Great Depression and the Dust Bowl, Congress passed the Soil Conservation Act, which directed the U.S. Department of Agriculture (USDA) to create the Soil Conservation Service [later renamed the Natural Resource Conservation Service (NRCS)] to reduce erosion and increase water conservation. Initially, the Depression-era Civilian Conservation Corps (CCC) carried out soil and water conservation projects. Knowing that the CCC would not last forever, Under Secretary of Agriculture M. L. Wilson advocated for a system of government assistance to farmers, in which local farmers receive direct assistance locally. To develop it, President Franklin Roosevelt sent the states standard legislation authorizing local special districts to manage soil and water conservation locally. State legislators passed these laws, and created local districts. Technically, the conservation districts are local governments with locally elected boards of directors. Often, they are organized along county boundaries. Typically, they have the authority to tax property, although they may not actually exercise this authority. They also receive assistance from state agricultural departments and are closely tied to the NRCS. In fact, it can be difficult at times to distinguish between the work of the districts and the NRCS in some places. NRCS and the districts play a central role in the engagement of landowners in many of the conservation programs of the Farm Bill (USDA Soil Conservation Service).

Today, there are 3,000 conservation districts nationwide. In most places, they are called “soil and water conservation districts,” but in some states, such as California, they are called “resource conservation districts.” Farmers, ranchers, and forest landowners have long been the core constituents of the conservation districts, although in a few areas their constituencies have broadened over time.

In the early 1990s, a new set of local groups emerged to locally manage natural resources. These groups often emerged in response to intense conflict over natural resource management. They may focus on riverine habitat improvement, water pollution reduction, forest management, rangeland improvements, or any number of other natural resource issues. They typically seek to resolve conflict and develop management solutions that lead to broadly supported outcomes that create ecological and socioeconomic benefits. In places with significant federal land ownership, agency personnel often participate in these collaboratives.

Unlike the conservation districts, these local groups emerged largely from the ground up and vary in focus and organization. Different from the soil and water conservation districts, they have tended to be multistakeholder and include not only farmers and ranchers but also environmentalists, industrial representatives, local government, and other interested citizens. Also different than the soil and water conservation districts, most of these groups are not government sanctioned. There are exceptions, however, such as in Oregon, Washington, and Ohio. In Oregon, for example, local watershed councils have been a core part of the state’s strategy to recover endangered salmon. In the late 1990s, the Oregon state legislature recognized and funded watershed councils to organize locally to improve watershed health and salmon habitat.

Both the natural resource collaboratives and, to a lesser extent, the soil and water conservation districts have been important partners with the U.S. Forest Service and the BLM in the development and implementation of stewardship contracting projects.

“listed” as threatened or endangered, public and private individuals may no longer kill the species or destroy its habitat. The federal government also has an obligation to recover the species. As with NEPA, ESA has a citizen lawsuit provision that allows people to petition for listing and then sue the federal government if they do not feel the government responded adequately. NEPA and ESA, and their citizen suit provisions, provided powerful tools for environmentalists to press their concerns with the agencies.

Throughout the 1980s, tensions continued to mount. The situation climaxed with a court injunction in 1991 that halted all timber harvest in the territory of the Northern Spotted Owl (western Washington, Oregon, and northern California). President Clinton resolved this particular injunction with the Northwest Forest Plan in 1994. The Northwest Forest crisis surrounding the protection of the Northern Spotted Owl led to subsequent forest plans—which marked the end of the agencies focusing primarily on timber production not only in the Pacific Northwest, but across West. As a result of this intense conflict, the

U.S. Forest Service and BLM lost considerable public and congressional trust in how they conducted their missions. The U.S. Forest Service, in particular, is now subject to increased oversight by the U.S. Department of Agriculture (USDA), the courts, and Congress, as well as to more skeptical scrutiny by stakeholder advocacy groups.

In response to the Northwest Forest crisis, a range of grassroots nongovernmental groups emerged across the West, as local residents sought to move beyond ongoing conflicts that pitted jobs versus the environment. These groups sought collaborative solutions that could improve the environment and create jobs. In many cases, these collaborative efforts emerged from the bottom up rather than as a result of direction from above, and have varied considerably in form, structure, participation, and purpose.

One example of this sort of collaboration developed in rural Wallowa County in northeastern Oregon. The federal government manages 56 percent of the land in the county. In the mid-1990s, the relationship between groups in the county reached a low point when two prominent environmentalists were hung in effigy. Declining federal timber harvests and cattle and sheep grazing permits were threatening natural resource livelihoods; eventually, all the sawmills in the county closed. County commissioners contacted a Portland-based nonprofit, Sustainable Northwest, to help the county find a new way forward. Through years of conversation and small confidence-building steps, county residents, local environmentalists, and the U.S. Forest Service have developed a deep culture of collaboration. This collaboration has allowed them to plan and implement sophisticated projects to restore ecological health and redevelop a small-scale local forest products industry using the small trees and brush that are created through restoration activities.

Not only in Wallowa County, but across the West, there has been growing, if sometimes tentative and incomplete, agreement that collaborative forest restoration should be at the center of federal forest management. Restoration is the improvement of ecological conditions through activities such as tree thinning and planting, improvements to river habitat for endangered species, and road maintenance and removal. In public forests in much of the West, restoration is focused on restoring fire-adapted

ecosystems and creating wildlife habitat on land. Many of the forests have dense thickets of small trees and brush due to post-logging practices and a century of fire suppression. Part of the support has emerged with the realization that conducting restoration activities has the potential to create jobs, directly, in the performance of restoration activities, and indirectly, through the utilization of the by-products of restoration (mostly small trees and brush). For some, the economic activity associated with forest restoration has the potential to reduce the negative impacts of the declines in the forest products industry and changes in federal land management that have occurred since the early 1990s.

The level of agreement varied considerably from place to place, with the most common areas of agreement being thinning near homes to reduce fire risk and in ponderosa pine and aspen stands to reduce the density of trees to create the open, park-like conditions that existed when there was regular fire. There is less agreement about how to manage wetter and high-elevation landscapes. There remains a fundamental disagreement about what should happen after restoration is complete—permanent protection or a sustainable flow of timber and non-timber products.

Collaboration between government land agencies and nongovernment stakeholders can pay off considerably for government agencies, developing new solutions to complex problems, building good will among constituents, increasing financial and technical resources, and reducing appeals and litigation. Yet, with a long history of internal agency experts developing projects and a hierarchy to drive the direction, collaboration had not come easily to these agencies. Building agreement and moving through the planning process to implementation can often take years. And, once the agreement is reached, the agencies have not always had the tools to implement an agreement.

# What Is Stewardship Contracting?

## Introduction to Stewardship Contracting

Stewardship contracting is a set of authorities that changes the way that the U.S. Forest Service and the BLM contract and partner with outside entities. These authorities allow the U.S. Forest Service and the BLM to enter into both contracts and agreements to perform restoration work and create local community benefit. It requires that the agencies consider the best value to the government when awarding these contracts and agreements, not just the price. The authority allows timber harvest and service activities in a single contract, and permits the value of timber to pay for service activities. Excess revenue (called “retained receipts”) can be kept at the field level and applied to additional service activities in subsequent contracts. The authority allows for 10-year contracts and a number of other innovations. The current law authorizing stewardship contracting does not explicitly require collaboration. However, both U.S. Forest Service and BLM guidance require frontline staff to collaborate with local stakeholders to develop and implement projects.

In the late 1990s, the idea of stewardship contracting emerged among a small group of community leaders and loggers in northwestern Montana who had taken lessons from some contracting experiments in the 1980s.<sup>5</sup> Beginning in the mid-1990s, independent loggers in northwestern Montana had brought together a diverse group of stakeholders to talk about how national forest management could address the needs of the land and the community. Over several years, these stakeholders worked hard to build agreement for forest restoration projects to reduce fire hazard, restore grizzly bear and bull trout habitats, and reduce noxious weeds. They

wanted to create an economic benefit for local loggers and contractors. Because they were trying new types of forest management, and had a fragile trust, they wanted to treat the project as an experiment and monitor and learn from the outcomes.

After reaching agreement between the U.S. Forest Service and community leaders, the parties found out that the U.S. Forest Service did not have the authority to implement the projects in ways that people had supported. Neither the U.S. Forest Service timber sale mechanisms nor the service contracts under the Federal Acquisition Regulations (FAR) met the needs of the proponents of collaborative restoration. One central challenge was that much of the forest restoration involved the cutting and removal of trees with both commercial and noncommercial value. Existing authorities required the U.S. Forest Service to use high-bid timber sales and low-bid service contracts following precise U.S. Forest Service prescriptions. It was an adversarial system that rewarded inexpensive rather than high-quality work—precisely the opposite of what was needed when the goal was ecological restoration within a context of fragile trust. The old system required multiple entries, multiple contracts, and high administrative costs. There was no real way to pay for the work—the national forest appropriated funds were inadequate, and timber revenue that would be generated was too restricted to pay for the agreed-upon treatments. The use of timber revenue to pay for other restoration activities was prohibited as an illegal augmentation of congressional appropriations.

The community leaders from western Montana went to their congressional representatives and proposed a simple piece of legislation. Senator Max Baucus (D-MT) and representative Pat Williams (D-MT)

## Stewardship Contracting Authorities<sup>6</sup>

Stewardship contracting is a set of contracting authorities that are designed to increase the ability of the U.S. Forest Service and the BLM to restore public lands while creating local community benefit. It allows the agencies to combine into a single contract the sale of timber and the procurement of services. It requires that the agencies select contractors based on best value to the government, and allows the use of a number of features of the Federal Acquisition Regulations, such as end results contracting. It also expanded the ability of the agencies to use cooperative agreements to implement public land management activities.

**Best value**—This stewardship authority requires that the agencies use a “best value” criterion when awarding contracts for stewardship projects. The best value contracting allows the agency to consider factors other than price, and award contracts to businesses that will perform high-quality work and help the agency meet its objectives. This is a major change from timber sale requirements, which require that agencies award contracts to the highest qualified bidder and acquisition regulations which allow but do not require awarding contracts on the basis of the best value to the government.

**Goods for services**—The exchange of goods for services can provide funding for ecosystem restoration by allowing the value of removed products to offset the cost of services in a single contract. These products could include timber, nontimber forest products, grazing access, etc. By allowing the combination of timber removal and service activities in a single contract, goods for services can minimize the ecological impacts by reducing the number of entries into an area and increase funding for restoration activities.

**Retention of receipts**—Generally, the U.S. Forest Service and the BLM must send the receipts of timber sales (less payments to counties and trust deposits) to the federal Treasury. Through *receipt retention*, the agency may retain locally the proceeds from the sale of commercial products removed through a stewardship contract, but must reinvest them in the same or another stewardship project.

**Agreements**—The stewardship contracting authority allows the U.S. Forest Service and the BLM to enter into agreements, not just contracts, with nonprofit organizations and other entities to implement stewardship projects.

**Designation by description**—Under this expanded authority, in place of designation by timber marking, land managers can describe a desired “end result.” The contractor is responsible for developing and implementing a plan to meet the end result. The failure to achieve the end result would result in penalties against the contractor. This is an existing service contract authority. Under traditional timber sale authority, the U.S. Forest Service must either designate trees to be removed or retained (usually by marking them with paint), or describe what is to be removed or retained so that any two people would choose the same trees.

**Multiyear contracts**—This authority allows contracts and agreements for up to 10 years.

**Less than full and open competition**—This authority exempts stewardship projects from the requirement that all timber sales valued over \$10,000 be advertised and competitively bid. With this authority, preference may be given to, for example, small businesses or bidders in particular locations. Less than full and open competition is permitted (and sometimes required) for service contracts.

**Exemption of timber payments to counties**—Both the U.S. Forest Service and the BLM are typically obligated to pay county governments a percentage (25 percent to 50 percent) of revenue from timber sales to the counties where the timber is harvested. This authority exempts payments to counties when the timber is harvested using a stewardship contract or agreement.

introduced legislation in 1995. However, without support of Senator Conrad Burns (R-MT), it failed to get a hearing. Eventually, Senator Burns embraced the idea and facilitated a rider to the FY 1999 appropriation (P.L. 105-227, Sec. 347). Initially, Congress authorized a number of pilot projects, with many of them to be located in Montana and Idaho, reflecting the interests of the congressional champions. This authority was reauthorized in each subsequent year along with the pilot projects. The U.S.

Forest Service also was required to undertake multiparty monitoring. Multiparty monitoring engages the entities implementing projects and other interested stakeholders in a process of developing and implementing a system for evaluating the activities and lessons from the projects and programs.<sup>7</sup> The idea was that these pilot projects would test these new contracting authorities and act as incubators for learning and adaptive management. Over time, these early requirements for engaging diverse stakeholders



## Timeline

**1980s**—The U.S. Forest Service begins to experiment with a variety of service and timber sale contracting mechanisms designed to improve land management and funding for on-the-ground activities.

**1995**—Stewardship contracting authorities similar to the current form are first introduced in Congress.

**FY 1999 appropriation**—Congress authorizes the U.S. Forest Service to embark on 28 stewardship contracting pilot projects.

**FY 2000–2002 appropriation**—Each year, Congress authorizes 28 additional stewardship contracting pilot projects.

**FY 2003 appropriation**—Congress authorizes a 10-year stewardship contracting authority for the U.S. Forest Service and the BLM.

**FY 2004**—The U.S. Forest Service and the BLM issue contracting templates and initial interim direction, which includes direction to collaborate with local partners.

**FY 2008**—The U.S. Forest Service convenes a mid-term internal review and engages stakeholders in recommending improvements.

**FY 2010**—The U.S. Forest Service releases stewardship agreement templates and begins work to revise stewardship contracting templates.

**FY 2013 (year end)**—Current stewardship contracting authority is scheduled to expire, unless reauthorized.

in project monitoring evolved into administrative field guidance to require collaboration earlier in the process, especially in project planning and design.

In an era of partisan bickering, stewardship contracting has enjoyed bipartisan popularity. When President George W. Bush created the Healthy Forest Initiative early in his first term in response to a series of historically large wildfires in 2000 and 2001, stewardship contracting was one of the three pillars in his strategy to reduce wildfire risk. Shortly thereafter, to the surprise of friends and foes, authority for unlimited stewardship contracting for 10 years for both the U.S. Forest Service and the BLM was inserted into the FY 2003 Omnibus Appropriation Act (PL 108-7, Sec. 323). Since then, Democrats and Republicans in Congress

included permanent stewardship contracting authority in a variety of western public lands bills in 2009 and 2010. President Obama's budget proposal for the U.S. Forest Service for FY 2011 sets out stewardship contracting as the central contracting tool that the U.S. Forest Service will use for forest management.

Formally, stewardship contracting is a set of contracting authorities that were designed to restore federal lands and create local community benefit. But, stewardship contracting offers a lens into collaboration, which can shed light on the challenges and opportunities of field-level collaboration.

As already suggested, stewardship contracting allows for new contracting and agreements authorities that are different from those that are typically available under the Federal Acquisition Regulations and the timber sale provisions of federal land management agencies. Stewardship contracting creates new ways to engage with external entities in the implementation of land management.

With stewardship contracting, the U.S. Forest Service and the BLM direct staff to collaborate with communities and stakeholders in the development and implementation of projects.

These resulting collaboratives offer a window into a process of public deliberation and problem solving at the field staff level of the federal decision-making hierarchy. As these stewardship collaboratives have emerged and developed, they often have started as informal collaboratives involving conversation, meetings, and field tours during which people identify common ground and common barriers and seek solutions.

In the early stages of collaboration, implementation is likely accomplished using traditional mechanisms such as in-house staff, timber sales, service contracts, and maybe even stewardship contracts, developed in a relatively routine manner. Over time, cooperative agreements and other innovative stewardship contracting mechanisms have been used to create financial relationships between partners, especially to conduct nonroutine activities, to experiment with new strategies, and to bring additional financial and technical resources to the collaborative from non-federal entities.

Although stewardship contracting offers a promising set of tools for implementing collaborative restoration, it is also challenging for the U.S. Forest Service and the BLM because:

- **It has involved changing long-standing procedures.** In the case of timber sale contracting, prior to the introduction of stewardship contracting, most of the timber sale procedures and forms had not changed in decades.
- **It has shifted the balance of power within various parts of these agencies.** Stewardship contracting has brought service contracting and acquisition management, which has been largely viewed as part of the “business side of the house,” into land management, where timber staff had long held sway.
- **It runs counter to some larger institutional pressures—particularly in accomplishing short-term targets.** Although stewardship contracting and associated collaboration requirements offer the potential to lower treatment costs and reduce delays due to appeals and litigation in the medium term, the process of learning about stewardship contracting and developing a shared vision with partners has been a continuing challenge. The U.S. Forest Service and the BLM have faced significant pressure to increase the number of acres they treat (perform some sort of activity on) each year, while their budgets for doing so declined. This pressure has forced some national forests to focus their efforts on short-term target accomplishment rather than on innovation. This happens because there are risks that innovation may result in lower targets in the short term.
- **It requires significant technical knowledge.** Stewardship involves contracting, the details about which many land managers know little. Contracting has largely been left to contracting officers. But that is not really possible with stewardship contracting, which has meant that many frontline personnel have had to develop at least a passing understanding of procurement.
- **It requires the development and strengthening of relationships with external partners.** Although both the U.S. Forest Service and the BLM had generally increased their focus on collaboration, it is an approach that remains culturally difficult for these agencies, which have

decades of history of hierarchical organization and inward focus.

## Pilot Authority

During the pilot period, between 1999 and 2002, the U.S. Forest Service provided limited direction, and frontline management units had to figure out how to develop contracts and experiment on their own. There was a number of innovative projects but limited institutional commitment, in part due to year-to-year reauthorization and the limited number of projects that Congress permitted.

The law required project-level, multiparty monitoring. The idea of multiparty monitoring was to engage a diversity of stakeholders with the U.S. Forest Service to learn about how these new authorities were functioning, and to identify opportunities for improvements. Beyond the multiparty monitoring, the U.S. Forest Service did not require the national forests to collaborate, although many of them did. It was often those already collaborating that sought early designation as pilots. In other cases, the requirement to create multiparty monitoring also led to broader collaborative engagement.

To steer clear of the FACA and its requirement for chartered groups, the U.S. Forest Service became a participant in the collaboratives and did not set the meeting agenda or call the meetings. In the pilot period, some projects fizzled while others became the first contract in a long series of contracts and agreements to implement collaborative restoration.

## 10-Year Authority

Shortly after receiving the 10-year authority in FY 2003, both the U.S. Forest Service and the BLM issued guidance to the field that provided considerably more direction than had been the case under the annually-authorized pilot program. As part of that guidance, management units were required to collaborate with external partners in the development of projects. The U.S. Forest Service’s collaborative direction was broader than the BLM’s, directing its staff to engage as partners in all phases of the project, whereas the BLM’s guidance focused on external engagement to determine local community needs and benefits. Neither sets of guidance specified what collaboration should look like, but rather emphasized that it should reflect local circumstances. This was an

approach heartily supported by nongovernmental organizations engaged in stewardship contracting.

The guidance also clarified how contracts and agreements should be used, narrowed the uses of retained receipts, and provided numerous administrative clarifications. Over time, the U.S. Forest Service also developed training modules, largely targeted at its own staff, and did not include its nongovernmental partners. In a couple regions of the country, the U.S. Forest Service and nongovernmental partners developed joint training sessions, allowing citizens and staff to gain introductory knowledge of stewardship contracting together.

The shift from experimentation to institutionalization led to the creation of more rules and procedures. There has been some concern during the process of institutionalization that it created a less fluid and flexible system. This was a mixed bag for national forests. On the one hand, it lowered risk and created clarity for those who were hesitant about using the new authorities. However, for early adopters and innovators, it made experimentation and change more difficult.

# Collaborative Stewardship

## Contracts: Case Studies

A decade after the initial pilot projects, and more than half a decade since the passage of the 10-year authority, the use of stewardship contracting ranges widely across the national forest system and BLM districts. Some national forests and districts have made stewardship contracts and collaboration a core part of their approach to land management. For example, the Eldorado National Forest in the Sierra Nevada of California receives fewer dollars than other, better-known forests in its region. As a result, it has come to rely on stewardship contracting to expand its limited budget allocation. Similarly, the Fremont National Forest in southeastern Oregon has made stewardship contracting the center of a strategy to implement a broadly supported collaborative agreement for ecological restoration that would maintain and modernize the local sawmill. Yet, other national forests have been less interested in stewardship contracting. For example, national forest staff and local elected officials to the south and west of the Fremont National Forest have been less interested in stewardship contracting, preferring traditional timber sale contracts.

The following five case studies present in-depth looks at a select number of the national forests and BLM districts that have integrated stewardship contracting into the way they do their work. These case studies illustrate the ways in which collaboration can evolve over time, and suggest some ways in which senior executives can support such efforts.

### Siuslaw National Forest, Oregon

**Time Frame:** 2002 to present, with collaboration dating back to the late 1980s

#### Key Actors:

- Central Coast Ranger District, Siuslaw National Forest
- Siuslaw Institute
- Siuslaw Soil and Water Conservation District
- Siuslaw Watershed Council
- Cascade-Pacific Resource Conservation District
- Oregon Wild
- Traditional timber sale purchasers

**Background:** One early pilot project was in the Siuslaw Watershed in western Oregon. The small unincorporated community of Mapleton

and surrounding settlements are about 45 minutes west of the University of Oregon, which is located in Eugene. In the 1970s, many residents worked as loggers or in the sawmills, while others were individuals who had moved “back to the land,” starting farms, small businesses, and communes (some of which still exist today.) The last sawmill closed in 2004, and the property now stands vacant. The U.S. Forest Service has since shut its ranger station in Mapleton as well.



As a national forest located in a temperate rain forest, trees grow fast and large. Clear cutting old growth timber and replanting was at the core of the forest's postwar management strategy. Yet, with high rainfall and steep slopes, the Siuslaw National Forest became the center of the controversy in the early 1980s over clear cutting old growth forests, long before the question was raised in other places in the



Pacific Northwest. Outside environmentalists filed a lawsuit to stop clear cutting the forest because of the impacts it was having in the rivers in the late 1980s. In 1988, the “Headwall Injunction” halted large clear cuts on the forest. With the subsequent listing of several bird and salmon species with critical habitat on that national forest as threatened and endangered under the Endangered Species Act, management focused only on timber production was becoming impossible.

In the early 1990s, the forest supervisor overhauled the culture and management of the national forest by developing collaborative relationships with a range of interest groups, local organizations, and citizens, particularly in the Siuslaw Watershed. The national forest reoriented its land management to focus on improving habitat for a number of threatened species including spotted owls, marbled murrelets, and coho salmon. Timber harvest was now focused primarily on activities that would hasten the development of old-growth characteristics and improve endangered species’ habitats. By driving timber harvest along ecological restoration goals, the Siuslaw National Forest became the first forest to be able to sell timber without legal appeals from environmentalists after the Northwest Forest Plan was adopted in 1994.

**Stewardship Contracts and Agreements:** When the stewardship contracting pilot authority came along, local forest service and community leaders saw it as a way to build on their existing agreement and increase habitat improvements. Working with existing partners, including the local watershed council, the soil and water conservation district, Eugene-based environmentalists, timber sale purchasers, and other local nonprofit organizations, the forest formed the Siuslaw Stewardship Group in 2002 and applied for a pilot stewardship project. The forest developed stewardship contracts that combined complex tree thinning and stream restoration into a single contract. Because of the high value of the trees they were harvesting, they were able to trade goods for services and still have excess timber receipts to spend on subsequent restoration projects. These retained receipts projects were focused primarily on roads and rivers, in an effort to restore salmon habitat.

The Siuslaw Stewardship Group realized that salmon recovery required restoration of the lowlands and

estuaries, which were not under U.S. Forest Service control. Their innovation was to combine stewardship contracting with another authority that allows for the expenditure of national forest system funds on lands adjacent to national forests if the spending benefits the national forest.<sup>8</sup> With the retained receipts, the watershed council, the soil and water conservation district, other local organizations, and landowners were able to leverage state and private funds to accomplish restoration projects on private land that benefited the national forest and facilitated the federal government’s obligation to restore endangered species. The Siuslaw National Forest used the retained receipts to enter into cooperative agreements with the Cascade Pacific Resource Conservation District. The resource conservation district, with partners, then developed a competitive grant process to develop and implement restoration on private lands that would benefit national forestlands and restore endangered species. The soil and water conservation district, the watershed council, and other organizations applied for these funds. They combined state and private funds with the retained receipts to do estuary, wetland, road, and river crossing restoration to improve fish passage and habitat for endangered salmon.

**Lessons Learned:** The Siuslaw National Forest’s long-standing collaboration enabled it to capitalize on the stewardship contracting when it came along. Stewardship contracting was a set of tools that allowed the Siuslaw National Forest to implement its agreements about how it should manage the forest. The collaboration emerged not because of stewardship contracting, but out of years of conversation about how to manage the national forest and surrounding landscape to restore ecological function, restore endangered species, and sustain the remaining natural resource industry.

Although the Siuslaw National Forest was able to accomplish a lot of land treatment and create economic benefit in the woods and with logs to nearby mills, as early adapters the national forest and its partners often found themselves in conflict with their superiors about implementation. This was in part because they ran into stewardship contracting implementation issues that their superiors had not anticipated, but it also was because they were innovative. Despite apparent directions to innovate, superiors sometimes became nervous when the

national forest and its partners did develop approaches that seemed to be too innovative. Although a natural part of institutional learning, the issue was a source of considerable frustration. In addition, because they were creative early adaptors, as stewardship contracting matured, the Washington office of the U.S. Forest Service began to narrow the range of permitted activities and the decision space of national forest staff, which created ill will among partners and led the national forest to have to renege on agreements about the range of activities that retained receipts could fund.

Today, the national forest and its partners continue to make stewardship contracting a core part of their work. After the national forest had completed several projects in the Siuslaw Watershed, two new collaboratives were created to broaden the use of collaborative stewardship contracting across the entire forest.

## Deschutes National Forest, Oregon

**Time Frame:** 2002 to present

### Key Actors:

- Sisters Ranger District, Deschutes National Forest
- Friends of the Metolius
- Oregon Wild
- Blue Mountain Biodiversity Project
- Melcher Logging and other contractors

**Background:** In Central Oregon, without the involvement of external entities, the Deschutes National Forest sought approval for a stewardship project in the Metolius Basin in 2002, at about same time as did the Siuslaw National Forest. This project focused primarily on reducing wildfire hazard by thinning small and midsized trees. In contrast to the Siuslaw stewardship pilot, when this project started, tensions were high. The U.S. Forest Service had largely completed project planning prior to engaging the public, and was not yet persuaded that it should involve citizens much in the project planning process. Agency personnel initially saw collaboration



as a process of gaining support for the ranger district's goals and priorities. But, some environmentalists did not trust the agency and did not want to see any trees cut, while other participants wanted to see trees thinned to reduce the fire risks to their favorite fishing holes and other socially important places. Environmentalists were frequently appealing and litigating proposed projects. In addition, there were few contractors interested in performing the new kind of work and few markets for the small trees and brush that needed to be removed to reduce fire hazard. Initially, a diverse group of local stakeholders and the ranger district could only agree to conduct monitoring together; they could not reach agreement on what management activities should occur. Through the monitoring process, however, they were able to identify broadly supported successes as well as opportunities for improvement.

Building on initial monitoring efforts, which involved field trips to look at proposed and completed treatments, various stakeholders and national forest staff were able to build common ground and increase the zone of agreement. Over time, they deepened and broadened citizen involvement in project development and contractor selection. With each subsequent project, the number of partners grew, as did their level of input.

**Stewardship Contracts and Agreements:** During the time period described above, the national forest developed and tested stewardship contract provisions that encouraged a contractor to lease new equipment and develop new business relationships. By making use of best-value provisions, the national forest was able to choose contractors that were willing to look for new markets, and to reward contractors that were willing to provide more local benefit. It did so by developing a contract solicitation that was end-results focused, and allow contractors to describe how they would use small trees and create local benefit. In addition, it asked contractors to describe how they would minimize environmental impacts and maximize ecological and local community benefits. In addition to creating a better final outcome in the forest, the contract format served to build trust among stakeholders, who were leery of hazardous fuels reduction because of their past experiences with the ways in which timber sale contractors had impacted the forest and soils.

After the Sisters Ranger District and its collaborators had a few stewardship contracts under way, each with more stakeholder involvement than the previous one, in 2008, the district entered into a partnership agreement with one of the environmental organizations involved in the collaborative—Oregon Wild. Oregon Wild was an active participant but had frequently appealed proposed projects of the Deschutes National Forest in the past. Under this agreement, Oregon Wild was to lead the environmental assessment and planning process for the next stewardship contract, including the development and analysis of alternative management strategies as required under NEPA.

**Lessons Learned:** Unlike the Siuslaw case study, stewardship contracting was a central impetus around which collaboration initially evolved in the Metolius stewardship. The requirement for multi-party monitoring nudged the frontline personnel to engage with their sometime adversaries. Although trust was low on both sides initially, long conversations, field trips, and small successes built trust over time. This collaborative process has not entirely eliminated project appeals or conflict, but it has enabled the district to increase the amount of work it can accomplish by reducing conflict and the frequency of appeals, trading timber value for restoration work, and creating incentives for contractors to identify new markets for the small trees that previously would have been piled and burnt.

Working collaboratively, the Sisters Ranger District has been able to actively manage a landscape of high emotional and social value to local residents. Its contracting strategies have fostered new business capacity to help the U.S. Forest Service restore forests as well as create local economic benefit. Collaborative engagement helped the frontline staff think creatively and innovate along multiple fronts in ways that would have been challenging for a conflict-ridden natural resource agency.

## Shasta-Trinity National Forest, California

**Time Frame:** 1992 to present

### Key Players:

- Watershed Research and Training Center

- Hayfork Ranger Station, Shasta-Trinity National Forest
- Post Mountain Volunteer Fire Department
- Local and national environmental activists
- Local residents, with a diversity of perspectives

**Background:** In the community of Hayfork in far northern California, residents and the Hayfork Ranger District of the Shasta-Trinity National Forest began collaborating in 1992, in the wake of the Spotted Owl crisis



and impending mill closures. The federal government manages more than 70 percent of the land in Trinity County, where Hayfork is located. Without federal timber harvest to support the economy, a few leaders in the community realized that the community was going to have to learn how to work together to address rapidly deteriorating economic conditions and growing poverty in the community. With little private land to serve as the basis of the economy, they realized that the ecological restoration of the federal forest was one of their best opportunities.

These leaders formed the Watershed Research and Training Center to be a nonprofit organization that could help with efforts to restore the forest and create economic opportunity. The Watershed Center was initially involved in retraining displaced forest workers to perform forest and watershed restoration, working with the national forest and local community residents to develop restoration projects, and in developing new harvesting strategies, wood processing businesses, and markets for small diameter wood.

By the mid-1990s, the national forest budget had dropped dramatically, and the ranger district began a long period of downsizing and reorganization. This further reduced the national forest's capacity to manage its lands independently. Over time, the Watershed Research and Training Center came to be increasingly involved in planning and conducting environmental analysis for projects to occur on the Hayfork ranger district. Even though this community and ranger district have been collaborating for 15 years, there continues to be significant conflict over

how the national forest should be managed. As with the Sisters Ranger District, environmentalists invariably appealed the Hayfork Ranger District's proposed projects involving timber removal.

**Stewardship Contracts and Agreements:** With the Watershed Research and Training Center director involved in forest policy nationally, the Hayfork community knew about stewardship contracting very early on. The national forest applied for pilot status at the behest of the community, and was awarded one of the first stewardship pilot projects. The project was for hazardous fuels reduction, habitat improvements, and road restoration. Although the collaborative group, including the Watershed Research and Training Center and ranger district, had a lot of experience working together, they struggled to put together a viable stewardship contract. Some challenges revolved around being one of the first to attempt a stewardship contract, which meant that they had no guideposts or experiences upon which to build. There was no contracting template to follow, and contracting staff struggled to develop a comprehensible contract. In addition, the landscape has steep topography, slow-growing trees, and high fire hazard, which makes thinning and road work expensive. The thinning and road removal activities the collaborative developed far outstripped the funds available to pay for them. Eventually, the ranger district abandoned the pilot project. Learning from the early experience over time, however, the ranger district and national forest developed increasingly larger projects and were able to put together stewardship contracts and agreements that met multiple goals, although the emphasis came to be primarily on hazardous fuels reduction.

A subsequent stewardship project involved community wildfire protection planning around the isolated subdivision of Post Mountain, which was surrounded by national forestlands. Both public and private lands were crowded with small-diameter timber and brush, putting the community at extreme risk for wildfires. Through a long series of community meetings organized by the Post Mountain Volunteer Fire Department and the Watershed Center, participants were able to encourage private landowners to thin trees and brush on their own lands and to develop a treatment plan for the national forestlands. They developed the Post Mountain stewardship contract, involving considerable service work along with some

removal of timber. This project was the first in a decade that environmentalists did not appeal.

However, as with the earlier projects, initial bids were far above available funding. Going back to the drawing board, the district reduced the scope of work and reoffered the contract. Faced again with the possibility of one or no bidders, the nonprofit Watershed Research and Training Center decided to bid, and was ultimately awarded the contract. The center focused on lowering costs by increasing the utilization of small-diameter trees. It began implementation in summer 2007, but faced a series of setbacks, including having a major piece of equipment catch fire and the meltdown of the lumber markets in the wake of the housing crisis. Following this, its major wood purchaser reduced staff and log buying and then, in 2009, the last remaining sawmill in the county suffered major damage in an accidental fire and had to close to rebuild.

In the midst of these setbacks, environmentalists sued the U.S. Forest Service in California, successfully arguing that the Eldorado National Forest was not considering the cumulative effects of its hazardous fuels reduction efforts. The success of the lawsuit halted all projects that has been analyzed using the same method, including the Post Mountain stewardship contract. Before the Watershed Center can continue implementing the project, the ranger district has to redo the environmental analysis and issue a new decision. The earliest that operations could resume is in the summer of 2012.

**Lessons Learned:** The challenges that the Hayfork community and ranger district have faced raise at least one critical issue that goes far beyond land management. One of the central challenges facing the ranger district and the community is the lack of agency and business capacity. The ranger district had radically downsized, and now looks to nonprofit and for-profit organizations to perform much of the work that the U.S. Forest Service once did in-house. Yet, with the decline of federal timber harvest, nearly all of the logging firms and wood products manufacturing companies have gone out of business, making it very difficult for the district to contract out work, especially at an affordable price.

With high unemployment and poverty rates, finding entrepreneurs willing to build businesses to participate



in restoration has proven difficult. This is particularly true given the high risks associated with inconsistent U.S. Forest Service budgets and frequent appeals, which reduce the consistency of contracting opportunities. Although nonprofit organizations have partially stepped into the breach, federal staffing, financial resources, and contracting market stability are critical pieces that need to be in place wherever there is a significant federal obligation. This is particularly so in places with high poverty or other economic and social disadvantages.

## Weaverville Community Forest, California

**Time Frame:** 1999 to present

### Key Actors:

- Trinity County Resource Conservation District
- Diversity of Weaverville residents
- Redding District, BLM
- Shasta-Trinity National Forest

**Background:** In 1999, the BLM proposed a land exchange (basically a land sale) near the town of Weaverville in far northern California, which would have put the parcels in the hands of Sierra Pacific Industries, California's largest industrial timberland owner. At issue were several small parcels of Redding District, BLM, that were intermixed with private forestlands and residential areas. These lands were getting a lot recreational use, had high fire danger, and experienced growing invasive weed problems. There was also some sizable timber. Neighbors did not want the BLM to privatize the lands. They persuaded the Trinity County Resource Conservation District (Trinity RCD) and the Trinity County Board of Supervisors to ask the BLM to consider an alternative to an exchange. They began discussions to determine how the community could have a role in managing the land.

The Trinity RCD and others considered purchasing the lands from the BLM to create a community-owned forest, which the community (through the



RCD) would manage as a working forest. However, they could not find the necessary financing; to pay for the purchase, they would have to cut the timber at rates that leaders felt were not sustainable.

**Stewardship Contracts and Agreements:** Rather than trading or selling the land, in 2004, the Redding District, BLM, proposed creating a stewardship agreement with the Trinity RCD that would allow the RCD and the BLM to jointly manage the land. In 2005, the Trinity RCD and the Redding District signed a 10-year master stewardship agreement. After the agreement with the BLM was signed, the Trinity RCD turned to the U.S. Forest Service to develop a similar 10-year stewardship agreement for 12,000 acres of U.S. Forest Service land, also in relatively small parcels, sandwiched between Weaverville and a wilderness area.

In parallel to the conversations about community ownership, the BLM had conducted an environmental analysis for a thinning project to reduce fire hazard near homes adjacent to the BLM parcels. The first activity of the Trinity RCD under the agreement was to implement the thinning projects. The BLM put the project out for bid and sold the logs to a local sawmill, Trinity River Lumber, and a small loads of chips to a biomass-electrical facility in California's Central Valley. The gross income was just over \$300,000; net of costs, the BLM was able to deposit over just \$100,000 of retained receipts into the Community Forest Stewardship Fund. Over the next year, the Trinity RCD raised another \$100,000 to fund projects on the community forest.

Because this project is not simply a stewardship agreement, but is a stewardship agreement built around the idea of a community forest, it is not only about ecological improvements and local economic benefit, but also includes recreational, educational, and cultural components. This diverse approach has been possible in part because of the diversity of funds that this collaboration has been able to access.

In the second year of implementation, the Trinity RCD started the environmental analysis on the second-phase thinning projects. But it also monitored the health of a Christmas tree patch along an electrical line right-of-way and did some replanting, planned for new hiking and accessible trails, and led field tours and classes. The community forest also includes

a number of historical and cultural sites—including heritage orchards, a Chinese cemetery, and black locust trees, perhaps originally planted by Chinese settlers/miners, as well as important historic and current Native American sites. Much of the second year also involved identifying, mapping, and analyzing these sites. In 2009, the Weaverville Community Forest won the Secretary of the Interior's Partner in Conservation Award. The next phase of the project includes planning future thinning projects as well as developing management strategies with the U.S. Forest Service.

**Lessons Learned:** This project turned a local political controversy into a collaborative venture—turning lemons into lemonade. It has taken the concepts of stewardship contracting a step farther to build a sustained federal-community partnership for comprehensive management, which not only includes restoration but also a broad array of cultural, recreation, and education activities.

The collaboration used signs, newspaper articles, and the Trinity RCD web page to publicize accomplishments, building credibility in a way that the federal land management agencies could not do on their own. Although the stewardship funds will likely be focused on the land management activities, this partnership and the associated fundraising are allowing for a much broader focus than would have been otherwise possible.

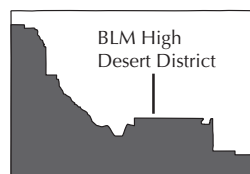
## BLM High Desert District, Wyoming

**Time Frame:** 2007 to present

### Key Actors:

- Wyoming Bureau of Land Management
- Rocky Mountain Elk Foundation (RMEF)
- Wyoming Department of Fish and Game
- Private landowners

**Background:** The RMEF, as with several other hunting and fishing nonprofit organizations, has long provided funding to federal land management agencies to manage for fish and wildlife habitat. Stewardship contracting



authorities have allowed them to enter into longer term, more complex agreements to conduct restoration work on the ground. For example, the RMEF has entered into several 10-year stewardship agreements with the BLM and the U.S. Forest Service nationally. Among the earliest of these agreements was one for an 85,000-acre project on the Seeley Lake District of the Lolo National Forest in Montana to restore elk habitat along a key migration route.

**Stewardship Contracts and Agreements:** In 2007, the RMEF signed a stewardship agreement with the Wyoming state office of the BLM involving a project area of 174,000 acres of BLM land along with 57,300 acres of private lands and 12,000 acres of state lands. The overarching purpose of the Wyoming Front Aspen Restoration Project is to restore aspen stands across landownerships by removing conifer trees that have encroached upon the aspen due to wildfire exclusion and which are inhibiting aspen regeneration.

Unlike the Siuslaw National Forest, where the sale of timber has generated several million dollars for restoration work, the total timber value in the first three years of this project was approximately \$8,000. Although the timber value was low, the RMEF has sought uses for the removed trees and sold them for saw timber, Christmas trees, and chips for bioenergy, mulch, landscaping, and oil well mitigation. The rest of the money to implement these projects has come from BLM-appropriated funds as well as grant funds and donations that the RMEF has raised. Over the first three years of the project, the BLM contributed about \$125,000 annually and the RMEF contributed \$150,000–\$200,000 per year.

**Lessons Learned:** In some cases, such as this aspen project, stewardship contracting has served to strengthen and expand existing partnerships between the agencies and nongovernmental organizations. Here, stewardship contracting is not so much about trading goods for services or other contracting authorities, but rather about allowing the agency to use a cooperative agreement rather than a contract for land management activities, bringing nonfederal financial resources to the task of federal land restoration, allowing for a long-term arrangement, and permitting the removal and sale of material that needs to be taken from the restoration site for ecological reasons.

This stewardship agreement was been one of only a couple of projects to use stewardship contracting authorities on BLM lands in Wyoming. Although the Wyoming state BLM office has a stewardship coordinator and some field staff interested in pursuing stewardship contrast, it lacked the procurement staff with the training to put together stewardship contracts and agreements. This meant that program personnel have been reliant on other offices in other states to create their stewardship contracts and agreements. For example, the Oregon state BLM office put together the RMEF agreement. These other state offices, with their own workloads, naturally put requests from the Wyoming BLM office low on the priority list.

# Strategies for Supporting Frontline Collaboration

The stewardship contracting case studies describe strategies that the U.S. Forest Service and the BLM have used to successfully meet their land management mission responsibilities, using both informal groups and formal financial mechanisms. They also describe the challenges of why these strategies are not used more widely, either in their own agencies or in other policy arenas.

However, an analysis of the successes and challenges that these case studies have had in developing collaborative stewardship contracting identifies some commonalities that can not only help foster a broader use of collaborative approaches in land management agencies but also in other government organizations. Based on the experiences of the U.S. Forest Service and the Bureau of Land Management, this section presents four strategies to promote collaboration. This section offers a mix of strategies that senior executives across government can use to make it easier for their front-line staff to collaborate.

National and regional senior executives from a wide range of organizations may need to engage in supporting collaborative efforts. In particular, stewardship contracting efforts suggests that executives managing an agency's core mission are central actors in any front-line collaborative effort. In addition, acquisition management executives can play a key role because their direction and clarity regarding contracts and agreements greatly affect the ease of using formal agreements and money to support collaboration. Finally, the decisions of those involved in budget formulation and allocation, as well as performance management, impact whether frontline staff have the incentives and ability to follow through on their local agreements.

## Supporting Frontline Collaboration: A Checklist

- Create time and space for collaboration to develop and mature
- Change the rules to encourage collaboration
- Provide incentives to collaborate—or consequences if they don't
- Invest in building the capacity of both governmental and nongovernmental partners involved in a collaborative effort

## Strategy One: Create time and space for collaboration to develop and mature

Robust collaboration requires significant investment in time, money, and social capital. As collaboratives build trust and facility in working together over time, their accomplishments grow, but rushing collaboration early on risks failure. In all of the cases described here, frontline personnel and their external partners have taken years—more than a decade, in some cases—to reach the stage at which they are today.

The Siuslaw, Shasta-Trinity (Hayfork and Weaverville), and Deschutes National Forests (Sisters) were allocated early pilot project authority, and used these pilots as springboards to build and expand their collaborative relationships over a number of years. These collaboratives began as conversations, meetings, and field tours, which built common ground as well as identified barriers that the forests and their partners could work through



together. Over time, these relationships evolved to also include formal financial arrangements—cooperative stewardship agreements with key collaborators and innovative stewardship contracts to create mutual benefit. The Siuslaw and the Shasta-Trinity National Forests built their stewardship contracting programs on pre-existing collaboratives and deepened those relationships. In the Sisters case, stewardship contracting and the multiparty monitoring efforts served as the foundation for building a sustained collaborative relationship with a diverse group of individuals and organizations, including those that had a long history of appealing and litigating timber sales and other projects on the ranger district.

Initially, collaboration can be slow to result in concrete outcomes. Often, collaborative groups have to start small and grow slowly over time. The first collaborative project in the Hayfork Ranger District took four years to come to fruition and covered 29 acres. By 2000, it was able to implement a project of 200 acres, and in 2003, 500 acres. By 2007, it was implementing a 5,000-acre project. By 2008, it was conducting planning in a 100,000 acre project area.

Moreover, collaboration is mostly likely to be effective as an ongoing relationship involving a long series of projects with evolving innovations. Although agency personnel sometimes initially think of collaboration as something that will occur during the course of a single project, it often evolves from there to a way of doing business. Collaboration is too time-consuming to create anew with each project. Moreover, in small communities, the social capital (or social baggage) created in one project will be carried to the next.

It is important for senior managers involved in mission-area management, budget, and performance accountability to work with their staff to create the space in work plans and accomplishment expectations to develop collaboratives. Executives in a number of different roles can create the time and space for collaboration. This may require providing funding for staff time and collaborative facilitation without an expectation that the frontline management unit will have many concrete accomplishments to show for it in the short term.

## Strategy Two: Change the rules to encourage collaboration

This can be done in several ways:

**Fund agreements that have been collaboratively developed.** Collaborative governance implies that collaborators are going to jointly develop and implement plans for action. These plans likely will reflect local biophysical, social, political, and economic circumstances and may not be exactly what the field staff's superiors envisioned. But, when frontline staff and their partners succeed in reaching agreement only to find that there is no money to support implementation, relationships can quickly sour. This has been a central dynamic for the Shasta-Trinity National Forest, where budgets are extremely tight and the biophysical conditions of the landscape make thinning expensive. Hard-earned agreement often has been foiled by a lack of money to implement.

Clearly, frontline staff have an obligation, as part of the collaborative process, to keep expectations in check about what is likely to be financially viable. Yet frequently, funds are not available because senior executives are not backing up their direction to collaborate with budgetary commitments. Sometimes frontline staff do not adequately anticipate out-year funding needs associated with collaborative agreements that are still in discussion.

To address funding issues, national-level senior executives can first develop direction and guidance that says that the agency will prioritize for funding projects that have been collaboratively developed. Second, senior executives can support field staff to anticipate needs for budget in out-years by encouraging them to request funds in anticipation of an agreement developing. Senior leadership may need to be willing to support out-year funding for somewhat vaguely defined projects, when the collaborative process has not yet fully determined what will occur. They may need to advocate with departmental political appointees and the Office of Management and Budget (OMB) for budget and performance authority that supports the transition.

**Expand local discretion to collaborate.** For frontline staff members to be able to collaborate, they need to have enough decision space so that they can

make meaningful decisions. One challenge to collaboration comes when it is essentially an implementation exercise, with little of substance at issue. Partners are unlikely to invest the significant time and money in a collaboration, in which there are no major decisions to be made. Mid-level and senior executives should consider what sorts of decision-making authority they can push downward to frontline staff so as to create a broader array of choices for agency collaboration. In addition, these same executives need to consider carefully when they centralize formerly decentralized decisions. Taking away local decision-making authority in the midst of collaboration can harm the collaborator's trust in the agency.

A second challenge is creating enough oversight over field staff while the agency learns how to use new tools and procedures without creating so little flexibility that the process becomes unattractive to use. Implementing new tools creates political and legal risks for agencies, which requires them to proceed with caution. Yet, collaboration requires opening up and becoming more flexible if partners are to have a real role. Both the BLM and the U.S. Forest Service require that the regional line office approve stewardship projects, whereas most other project development and contracting selection is done at the national forest or BLM district level. Although this was sensible when national forest and BLM districts were learning to use the tool, an approval process that requires a half-dozen signatures is simply time-consuming once frontline staff have proven their capacity to use the authority. The U.S. Forest Service's stewardship contracting board of directors is considering changing this requirement.

**Continually update old procedures to support a collaborative approach.** As agencies engage in new types of collaboration, they may well find that many long-effective procedures become cumbersome barriers. Solutions and new approaches will likely emerge over time as field staff develop new innovations and identify new problems. When developing a new collaborative system, national-level executives should task staff with the responsibility for developing and implementing a system for continual learning and procedural improvements. A key component of this system needs feedback mechanisms from staff throughout the chain of command as well as direct feedback from field collaborators to the national staff who are implementing procedural changes.

In the case of stewardship contracting, both the U.S. Forest Service and the BLM needed to issue guidance to help staff develop stewardship projects, contracts, and agreements. This involved changing timber sale procedures and forms that had been the same for decades. Even after the initial guidance, the board of directors has continued to make both incremental and major changes, based on feedback from field personnel and stakeholders. In addition, the U.S. Forest Service created two contracting templates, based in large part on the contracts that had been developed in the field during the pilot period. This was followed in 2009 by the release of a stewardship agreement template, also building on agreements that innovative national forests had developed. In late 2009, the U.S. Forest Service announced that it would be developing a new, unified stewardship contracting template, having realized that the original templates were too cumbersome and could be improved using lessons from the field.

Midway through the 10-year authority period, the board of directors convened an internal review committee. The committee held two listening sessions (in Montana and Washington, D.C.) to seek feedback from agency personnel and stakeholders engaged in stewardship contracting. Using these listening sessions, the committee created a list of activities that it would work on to improve stewardship contracting.

In addition to stewardship contracting-specific procedural changes, with a growing amount of collaboration and increasing use of their agreements authority, acquisition management embarked on a two-year revision of agreement procedures and forms which involved approval from OMB as required under the Paperwork Reduction Act.

### **Strategy Three: Create incentives to staff to collaborate—or consequences if they don't**

The stewardship contracting case studies highlight the use of incentives.

**Require field units to collaborate.** Although some personnel will seek out nongovernmental partners without being directed to do so, turning collaboration into an agency-wide priority likely will require some

direction from above. It may well help—as has been the case here—to require collaboration around particular activities such as stewardship contracting as well as more general activities. Doing so provides something concrete on which field personnel can focus their attention.

In the case of stewardship contracting, the U.S. Forest Service and BLM guidance have not prescribed what exact form collaboration should take or who should be involved, but rather said that it should reflect local circumstances. Each national forest and BLM district is different in the kinds of partners that it will need to engage, the amount of conflict or complexity it faces, and the amount of interest that partners have in engaging with the agency. Providing the room for managers to create collaboration that reflects the place at which they are working is particularly important in land management, where local ecological conditions and interested parties vary considerably from place to place, but is likely to be true in other sectors as well, because local social and political circumstances vary so widely across the United States.

One drawback of not taking a more prescriptive approach is that it risks that, in some places, agency personnel will choose to pursue weak collaboration because they are not interested in a more robust approach, not because there is an inherent lack of interest in collaboration locally. One way that some regional foresters have tried to address this is to ask national forests to describe in some detail the collaborative process they are using as part of their application for approval of a stewardship project.

Guidance also can include assistance in helping field staff to understand how and when they are permitted to engage with the public as well as any legal requirements. For example, as part of the guidance, frontline staff needs to understand how they can collaborate without becoming entangled in the FACA. Confusion over the FACA can create an excuse for not collaborating as well as inadvertent violations of the FACA. It also may be helpful to provide clarity on limits to collaboration; sometimes inexperienced field personnel may assume that they cannot collaborate with the public on a particular phase of project development simply because it has not been the practice to do so. Knowing that collaboration is acceptable and understanding any real

legal limitations can help frontline staff become more comfortable with collaboration.

Finally, leading by example can help to foster local-level collaboration. That is, midlevel and senior staff also should be engaging in collaboration in decision-making. This will look different than local-level collaboration, reflecting the different roles of more senior staff. One example of this was the U.S. Forest Service's use of listening sessions to elicit issues and suggestions from stakeholders and the field about how to improve stewardship contracting.

### **Ensure performance measures support collaboration.**

Creating performance measures that align with collaboration can be difficult—something that continues to be a major challenge for the U.S. Forest Service and the BLM, which have a long tradition of output-oriented accomplishment targets. Conversations about how to increase the use of stewardship contracting seems to frequently evolve into conversations about how the agency's performance measures are leading them to seek short-term accomplishments rather than investing in longer-term payoffs.

Particularly challenging for these agencies is developing outcome-oriented performance measures that are relatively straightforward to measure and satisfy the OMB. For the U.S. Forest Service, the most important agency targets have been “acres treated” and “volume of timber harvested.” Obligations to meet high targets with declining budgets have been particularly challenging. Moreover, the funds that have been available have been concentrated largely in hazardous fuels reduction, with only limited money for other types of restoration, such as endangered species habitat and road restoration and noxious weed abatement.

Reducing or modifying performance measures can be a slow, politicized process involving numerous agencies, departments, OMB, and Congress. In the interim, senior executives can work to temporarily reduce targets without financial penalty for particular management units that are in the early stages of collaboration, when accomplishments are likely to be small. Target trading among management units can create breathing room for those areas just starting out in collaboration and for those areas with significant conflict and low trust, where collaborative outcomes will take a particularly long time to

achieve. This has been done at the forest as well as at the regional level in the U.S. Forest Service.

Another approach that both the U.S. Forest Service and the BLM have used is to create stewardship contracting targets, requiring each unit to undertake a certain number of stewardship contracts each year. Feelings have been mixed about the effectiveness of this approach for getting people to try the new authority. On the one hand, since there is a relatively steep learning curve for stewardship contracting and many agency staff seem to like it once they have tried it, the targets can help field units take the initial plunge. On the other hand, for those truly resistant to stewardship contracting, the targets seem to lead to resentment. Finally, this approach may be helpful initially but may not be needed in the long term.

Once a region or set of national forests has developed the habit of using stewardship contracting, targets may no longer be that helpful. For example, the Oregon BLM stewardship contractor no longer distributes targets to the BLM districts, as the state office as a whole achieves the target with no difficulty as a natural consequence of the program of work. The Wyoming BLM ignores the target because it cannot implement a stewardship contract due to its lack of trained procurement staff, and relies on other state offices to pick up the target.

## **Strategy Four: Invest in building the capacity of both governmental and nongovernmental partners involved in a collaborative effort**

Federal participants in collaboration need to recognize where investments need to be made.

**Create a cadre of well-trained procurement and agreements personnel.** Although acquisition is rarely a core mission activity, senior leadership still needs to ensure that there is an adequate number of well-trained agency personnel willing to use the kinds of instruments necessary for collaborative financial arrangements. As we saw with the Wyoming BLM case, the lack of procurement staff capacity to create stewardship contracts and agreements was a barrier to the BLM expanding the use of these tools. This is an example of a frequent challenge that both agencies face, which has been the difficult transition

from the old way of doing business (adversarial contracting) to the new way of doing business (cooperative relationships with nonprofit and private sectors). The U.S. Forest Service too has struggled to train enough contracting staff familiar with the particulars of creating stewardship contracts.

Although the U.S. Forest Service has considerable authority to enter into a wide variety of agreements with nonprofit organizations, it also has struggled with a lack of trained staff and systems in place to develop and execute a range of agreements. As suggested above, over the course of the past few years, the U.S. Forest Service acquisition management has revamped its agreements guidance and made an effort to increase the training of its staff. Training has reduced the time and effort that both the frontline staff and their partners spend developing formal agreements, which increases trust and time spent on mission-relevant activities. This groundwork in stewardship contracting, and in agreements more generally, served them well when the American Recovery and Reinvestment Act funds arrived; they were able to add funds via task order to new existing stewardship contracts and agreements as well as to execute new agreements quickly.

**Support the organizational health of partner organizations.** To build robust collaboratives, particularly in places that have been traditionally underserved, have high poverty, or otherwise lack capacity to engage, agencies may have to contribute funds and technical assistance to build the social organization necessary for rich collaboration. This may involve frontline units funding partner organizations to organize and host meetings, and conduct outreach to engage diverse stakeholders. In the Shasta-Trinity case, the ranger district partially funded the Watershed Center to facilitate the Post Mountain community meetings. Similarly, the Siuslaw National Forest hired a facilitator from Eugene to organize monthly meetings and lead the monitoring activities, even though there was relatively little conflict among participants.

If a federal agency is going to contract with businesses, it needs to ensure that businesses exist and remain healthy enough to fulfill agency needs. This is not a given, especially when the federal government demands services and skills that are different from those of the private marketplace. The central



challenge in the Shasta-Trinity case has been that there is virtually no local logging and contract capacity left. This is because federal lands surround the community, and those landowners have not been offering consistent-enough contract work; and most businesses have folded. This is why the Watershed Center entered into its first stewardship agreement, and later bid on the stewardship contract. Although the Watershed Center used these agreements and contracts to foster local logging capacity, it has struggled to find interested, qualified entrepreneurs.

In the Deschutes National Forest case, the forest used stewardship contractors to try to engage businesses to purchase new equipment and to build new business relationships to take on new kinds of work. It used best-value criteria and end-results contracting to entice a couple of different contractors to experiment with new equipment and techniques and identify new markets for small trees and brush.

Finally, in the Siuslaw case, the ranger district talked with its traditional timber purchasers to explain stewardship contracts and minimize any unnecessary concerns, in order to reduce the chance of receiving no bids. Senior executives can foster this sort of field attention by creating contracting guidance that considers local economic benefit as a part of their contracting goals and by increasing the consistency of contracting offerings. In addition, they can ensure that frontline staff have the authority, tools, and financial resources to quickly and easily enter into agreements with partners to support collaborative processes.

**Train staff and partners, and develop peer-to-peer learning.** All agencies conduct staff training on a broad array of issues; collaboration is no different than other skill—it needs to be learned. To foster the use of stewardship contracting, the U.S. Forest Service developed a series of training modules specific to stewardship contracting. These ranged from introductory information for general audiences to quite detailed information, such as contract preparation for contracting officers.

In some regions of the country—particularly in Oregon and California—regional stewardship coordinators and their partners went a step further and held joint training sessions. Participants in some of the early stewardship collaboratives have helped

foster stewardship efforts in other places. For example, the facilitators of the Siuslaw Stewardship Group and Post Mountain group worked together with the U.S. Forest Service to hold a series of trainings in the Sierra Nevada to help forests and partners there learn about stewardship contracting, biomass utilization, and collaboration. Including both agency and nongovernmental partners in joint training sessions helped to create a shared understanding of the potential and procedures of stewardship contracting.

In the frequent reviews of stewardship contracting, a number of stakeholders and agency personnel have recommended that the agencies develop peer-to-peer learning processes to accelerate learning. In the pilot stages of stewardship contracting, regional multiparty monitoring teams held learning meetings that brought together one U.S. Forest Service staff member and one community person from each project to share lessons from their efforts. These facilitated discussions helped people share how they were experimenting and solving particular problems. The efficacy of even these limited peer-to-peer learning methods suggested that partnership coordinators and others might create a deliberate system of formal and informal information sharing across frontline units.

# Conclusion

U.S. Forest Service and BLM efforts to use stewardship contracting to support frontline collaboration offer a number of lessons for other federal agencies. Although stewardship contracting authorities may apply uniquely to federal land management agencies that have something (timber) to sell, the concepts behind stewardship contracting could be useful for other agencies. Beyond the particulars, the U.S. Forest Service and BLM experiences with stewardship contracting make clear the importance of moving beyond simply directing frontline staff to collaborate and of creating the institutional changes necessary to support collaboration. Some activities, such as training for collaboration and adequate agreements authorities, are fairly directly related to the process of collaboration.

Many of the changes needed to encourage greater use of collaboration came from places in the agency that do not initially appear to have much to do with the collaborative process, such as budget formulation and allocation and performance management, which also need to support frontline collaboration. Moreover, successfully supporting collaboration requires that senior executives themselves engage in collaborative and iterative learning by creating systems to take lessons from the frontline staff and stakeholders and turn them into new guidance, which improves practices and procedures and reflects innovations and changing conditions on the front line.

Frontline collaboration well beyond stewardship contracting has played a key role in the transformation of the U.S. Forest Service and BLM over the past two decades. By the early 1990s, both agencies had suffered a considerable loss of public and congressional

trust. With the role of courts and interest group politics, multiple constituencies have the ability to halt agency actions through legal action and political maneuvering. Collaboration has certainly been difficult and time-consuming for both agencies, and continues to be institutionally difficult for the front line. However, to the extent that the agencies have been able to move beyond rancor and gridlock, frontline collaboration has played a key role in developing new solutions, building support for action, and modernizing the land management direction of the agencies.

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